

## ANNE ARUNDEL COUNTY

FOR COVERAGE UNDER THE PLAN, EXCLUDING ANY OF SUCH EMPLOYEES WHOSE ANTICIPATED YEARLY AMOUNT OF RETIREMENT ANNUITY PROVIDED BY COUNTY CONTRIBUTIONS IS ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00) OR LESS. EACH SUCH EMPLOYEE ON A PLAN DATE WILL REMAIN A RESTRICTED PARTICIPANT FOR TEN (10) YEARS OR, IF AT THE END OF SUCH TEN (10) YEARS THE FULL CURRENT COSTS OF THE PLAN, AS DEFINED IN SECTION 1.401-4(C) (2) OF THE FEDERAL INCOME TAX REGULATIONS, ARE NOT MET, HE WILL REMAIN A RESTRICTED PARTICIPANT UNTIL THE FULL CURRENT COSTS ARE FUNDED FOR THE FIRST TIME.

(3) (I) UNRESTRICTED BENEFITS AT ANY TIME FOR A RESTRICTED PARTICIPANT SHALL BE DETERMINED BY THE INSURANCE COMPANY AND SHALL BE EQUAL TO THE PORTION OF HIS COVERAGE PROVIDED BY HIS CONTRIBUTIONS, IF ANY, AND BY COUNTY CONTRIBUTIONS NOT EXCEEDING THE APPLICABLE AMOUNT DETERMINED AS FOLLOWS:

(II) AN AMOUNT WILL BE DETERMINED AS DESCRIBED BELOW FOR EACH PLAN DATE ON ACCOUNT OF WHICH THE PARTICIPANT IS THEN A RESTRICTED PARTICIPANT, AND THE APPLICABLE AMOUNT WILL BE THE GREATEST AMOUNT SO DETERMINED.

(III) THE AMOUNT FOR THE INITIAL PLAN DATE IS EQUAL TO THE GREATER OF TWENTY THOUSAND DOLLARS (\$20,000.00), OR TWENTY PER CENT (20%) OF THE FIRST FIFTY THOUSAND DOLLARS (\$50,000.00) OF THE PARTICIPANT'S AVERAGE REGULAR ANNUAL COMPENSATION DURING HIS LAST FIVE (5) YEARS OF SERVICE WITH THE COUNTY, MULTIPLIED BY THE NUMBER OF YEARS FOR WHICH THE FULL CURRENT COSTS OF THE COUNTY'S PLAN HAVE BEEN MET SINCE THE PLAN DATE.

(IV) THE AMOUNT FOR A PLAN DATE WHICH IS NOT THE COUNTY'S INITIAL PLAN DATE IS EQUAL TO THE GREATEST OF TWENTY THOUSAND DOLLARS (\$20,000.00); OR THE COUNTY'S CONTRIBUTIONS WHICH WOULD HAVE BEEN APPLIED TO PROVIDE BENEFITS FOR THE PARTICIPANT IF THE PLAN AS IN EFFECT ON THE DAY BEFORE THE PLAN DATE HAD BEEN CONTINUED WITHOUT CHANGE; OR THE SUM OF THE COUNTY CONTRIBUTION WHICH WOULD HAVE BEEN APPLIED TO PROVIDE BENEFITS FOR THE PARTICIPANT IF TERMINATION OF THE PLAN HAD OCCURRED ON THE DAY BEFORE THE PLAN DATE, AND TWENTY PER CENT (20%) OF THE FIRST FIFTY THOUSAND DOLLARS (\$50,000.00) OF THE PARTICIPANT'S AVERAGE REGULAR ANNUAL COMPENSATION DURING HIS LAST FIVE (5) YEARS OF SERVICE WITH THE COUNTY MULTIPLIED BY THE NUMBER OF YEARS FOR WHICH THE FULL CURRENT COSTS OF THE PLAN HAVE BEEN MET SINCE THE PLAN DATE.

(B) AS OF THE DATE OF TERMINATION OF THE PLAN OR AFTER THE DATE OF FAILURE TO MEET THE FULL CURRENT COSTS OF THE PLAN, THE COVERAGE OF EACH RESTRICTED PARTICIPANT